

## REGULAR MEETING OF MARCH 8, 2005

Mayor Ganz called the meeting to order at 7:33 p.m. Assistant Municipal Clerk Bojanowski read the following statement of compliance:

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, 2004. 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 North Jersey Herald and News and the Shopper. The annual notice identified the times and locations of the Council meetings and work sessions.

PRESENT: Mayor Ganz , Deputy Mayors Etler and Weinstein and Councilmember McCarthy .

ALSO PRESENT: Manager/Municipal Clerk Kwasniewski, Assistant Municipal Clerk Bojanowski and Attorney Lustgarten.

ABSENT: Councilmember Caan

### Council Comments

Deputy Mayor Etler gave his monthly activity report for February. He attended Bergen County Community Development meeting, Cub Scout Pack #45 Blue and Gold Dinner at St. Annes. Did a review of the DPW and Parks equipment with Councilmember McCarthy at their garage for prospective procurement. He added on February 25<sup>th</sup> he was at the recycling plant and he saw all the equipment lined up and ready to go for the expectant snowstorm. He was happy to see the equipment would be put into action when it was needed and great job to Superintendent Conte and all the people who work for him.

Councilmember McCarthy attended the Bernard Lyons Dinner on Saturday night with Deputy Mayor Etler. He explained the disease Lymphoma cancer was what Mr. Lyons was fighting. He congratulated the Fire Companies especially Company #3, Mark Parlmieri and Doug Sodaski for organizing the event. The money was used to help with the cost of health insurance. He added donations are still being accepted at Company #3, PO box 2646 as well as information available on Company #3's website at fairlawncfireco3.com.

Mayor Ganz stated this evening the Council votes to introduce the budget for 2005. The budget is about \$34.8 million, compared with \$33.2 million last year, a 4.8% increase. The increase to Borough taxpayers amounts to about \$125.58 for the average homeowner or a change from last year of about 35 cents per day.

Introduction does not mean final approval.

When the Manager originally presented the budget to the Council in early January, the expenditures called for an increase of \$3.9 million. On Saturday mornings, and on early evenings long before the regular Council meetings, the Council went through the budget line-by-line,

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department -by-department, and made cuts of over \$2.4 million that it thought were

appropriate, including reducing overtime across-the-board by about 25 percent.

The smallest line-item cut was \$4 to the police department; the largest cut was over \$500,000 for health insurance, as a result of an aggressive program that was presented to the Council after meetings with health care professionals.

Last year, a new department, the Office of Emergency Management was created, recognizing the importance of homeland security and emergency preparedness. You will see continued increases in that department as well as to the Police Department, where we followed Chief Erik Rose's recommendation to add two new police officers. Public safety will not be compromised!

This year's budget caused all of us on the Council to make difficult choices. We deferred some costly items in our capital budget, which we do not introduce tonight, because the equipment that the departments hope to replace still has a useful life. I appointed a two member committee, consisting of Councilman Owen McCarthy and Deputy Mayor Marty Etler, to review equipment, and their preliminary report will save the taxpayers of Fair Lawn thousands of dollars.

Although departments asked for over \$4 million in capital projects, and the manager recommended \$2.8 million worth, the Council will additionally reduce that amounts. We will save taxpayers money by using the Bergen County Improvement Authority's lower bonding rate through a Municipal Bank program County Ordinance that I introduced last year as a Freeholder, and which I am proud to say is available to all 70 towns in Bergen County.

We will also purchase five new police cars this year, all with new carbine safety chests in the trunk, as part of our policy of rotating five cars one year, six years the next -- and the COPCARS program will be utilized to bond those cars over their useful lifetimes, again saving the taxpayers high up-front costs, but also allowing for payment in a fiscally prudent manner. (I'm pleased to say that I introduced this program at the County level).

Fair Lawn's capital program purchases important long-term items that benefit the community as a whole. For example, last year, we put three new recycling garbage trucks in operation. Last year, we also added a new ambulance to replace an 18 year old vehicle, and bought a new fire truck that will take the place of an 18 year old truck. We did this at the request of our all-volunteer ambulance corps and fire department. Although the Fire Department has requested that we buy a new truck next year to replace the 970 aerial unit which is 28 years old and already past refurbishment, I will ask the Council later this year to consider buying the truck this year using Bergen County Improvement Authority bonds to take advantage of the lowest interest rates in more than 40 years. If the interest rates in the next year rise by two percent, the added borrowing cost of \$170,000 would be saved over a 15 year bond lifetime.

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We continue to pay down capital debt. \$3.8 million will be paid this year for debt service for past capital and current capital improvements vitally needed for the borough infrastructure. State mandated services -- required to be undertaken on a municipal level, but unfunded by the state-- also increased. Our recycling program, for example, will cost over \$1-million in this year's budget. Garbage collection and tipping fees for waste disposal will cost more than \$2-million.

Other fixed cost items that are not very visible, but are very necessary, are also provided for in this budget. For example, the cost of electricity for streetlights and at municipal

buildings will cost us nearly \$1-million, also up from last year. We will spend \$190,00 for gasoline – up from last year, just as you and I pay more at the pump.

Salaries for the most part are increasing by an average of 4% -- we locked in long-term union contract savings several years ago -- but the added cost of social security contributions is almost \$800,000 in this year's budget. State mandated – but unfunded – changes for employee pensions cost an additional \$200,000 this year. Passaic Valley Sewer Authority's rates for removal of sewage increased, too. Our self-insurance fund for claims made against the Borough, and worker's compensation, has also increased.

However, we held the line on employee benefits, principally health insurance. The Council's actions in negotiating with our blue and white union contracts for health insurance savings will, over the next 10 to 15 years, save taxpayers over \$1-million annually.

Our decision to “shop” health insurance carriers from Blue Cross to Oxford resulted in Blue Cross dropping a proposed 17% increase, and by implementing a P.P.O. plan, an additional \$300,000 will be saved.

All of us on the Council pay property taxes directly or indirectly. We spent hundreds of hours of collective time in bringing this budget in on time so that we can seek assistance from Trenton. Last year, I fought for, and we got, almost a half million dollars worth of extraordinary aid. It'll be tougher this year, but we have fighting Senator Joe Coniglio and Assemblyman Bob Gordon on our side, along with a host of state officials that I have met as Mayor and Freeholder.

Governing is about choices. This Council deliberated carefully, but judiciously, eliminated waste, and proposed continued services that maintain strong property values while at the same time recognizing that everything costs more today than it did last year, but is probably cheaper than buying it in the future.

Nevertheless, this will be a tough year. You have probably read how the federal government is now billions of dollars in debt while our state government is struggling to balance its budget.

This means that local governments burdened by mandates must foot more of the bill. Its not pleasant, but municipal government must continue to function.

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We have preserved basic services, safety, health, recreation, roads, trees, and the like, and have made judicious choices on optional programs. It must be working because in the last three years, Fair Lawn's combined property values have increased by \$700 million from \$3.32 billion to nearly \$4 billion.

We look forward to hearing from you at our budget hearing, or before, as to ideas that you have for further reductions. We will be receptive to proposals to bring down the overall rate, or amount that each of us as residents must pay. And as always, we are all available to answer any questions that you may have about where all of our tax dollars go now, and in the future.

#### **ORDINANCE: FIRST READING**

Upon motion by Deputy Mayor Etlar and a second by Councilmember McCarthy, it was unanimously agreed to read the following ordinance by title.

#### **Ordinance No. 2005-2005**

**AN ORDINANCE FIXING THE SALARIES OF CERTAIN EMPLOYEES OF THE BOROUGH OF FAIR LAWN, BERGEN COUNTY, NEW JERSEY, AS AMENDED**

Borough Attorney Lustgarten explained this is a salary ordinance from 2005 to 2008 which reflects for the members of the Supervisor's Association the union contracts that was settled for the next four years.

There being no further discussion, upon motion by Deputy Mayor Etlar and a second by Councilmember McCarthy, Resolution No. 95-2005 introducing Ordinance No. 2005-2005 was unanimously passed.

**Ordinance No. 2006-2005**

Upon motion by Councilmember McCarthy and a second by Deputy Mayor Weinstein, it was unanimously agreed to read the following ordinance by title.

**ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A: 4-45.14)**

Borough Attorney Lustgarten explained the State has set a limit on a municipal budget by a percentage and if the Council deems it prudent to exceed the cap they must do it by ordinance.

There being no further discussion, upon motion by Deputy Mayor Weinstein and a second by Councilmember McCarthy, Resolution No. 96-2005 introducing Ordinance No. 2006-2005 was unanimously passed.

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**Ordinance No. 2007-2005**

Upon motion by Deputy Mayor Etlar and a second by Councilmember McCarthy, it was unanimously agreed to read the following ordinance by title.

**AN ORDINANCE TO AMEND THE CODE OF THE BOROUGH OF FAIR LAWN, BY AMENDING CHAPTER XII, ENTITLED "WATER", SUBSECTION 12-4.2, "WATER RATES"**

Mayor Ganz stated this ordinance will lower the water rates next year by \$.01 per thousand gallons. The self liquidating water utility is designed to try to manage to keep up with the expenditures that are associated with running our own water utility.

There being no further discussion, upon motion by Deputy Mayor Etlar and a second by Councilmember McCarthy, Resolution No. 96A-2005 introducing Ordinance No. 2007-2005 was unanimously passed.

**ORDINANCES: SECOND READING**



Upon motion by Deputy Mayor Etler and a second by Deputy Mayor Weinstein, Consent Agenda 9-2005 containing the following items was unanimously adopted.

- a. Resol. #100-2005 - Interlocal Agreement - Use of Walsh Pool Elmwood Park
- b. Resol. #101-2005 - Approval of Minutes:
  - Reorganization - 1/4/05
  - Work Session - 1/4/05
  - Closed Session - 1/4/05
  - Regular Meeting - 1/11/05
- c. Resol. #102-2005 - Refund of Overpayment of Taxes
- d. Resol. #103-2005 - Professional Services - Geese Management
- e. Resol. #104-2005 - Professional Services - Cadmus Water Storage Tank
- f. Resol. #105-2005 - Professional Services - Berdan Grove Field Drainage Improvements
- g. Resol. #106-2005 - Authorizing the Execution of Various Documents with BCIA's Bergen Municipal Bank Program
- h. Resol. #107-2005 - Authorizing Agreement with Financial Literacy Awareness Network
- i. Resol. #108-2005 - Amending Fair Lawn Jewish Center Bingo License

**RESOLUTION NO. 109-2005 - Supporting Adoption of S-1990 and A-2432, Authorizing the Imposition of Additional Fines For Overcrowding in Dwellings Containing Four or Fewer Units**

Upon motion by Deputy Mayor Etler and a second by Deputy Mayor Weinstein, it was unanimously agreed propose Ordinance Resolution No. 109-2005.

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Deputy Mayor Etler stated when this is adopted it will give them a stronger hand to deal with people who illegally expand their house and because of that we have overcrowding. He believed this was a good law and was happy the Council was proposing it.

**MISCELLANEOUS PUBLIC COMMENTS**

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

Donal Meyers, 8-22 Mayfair Terrace asked on Ordinance 2005-2005 what was the percentage of increase. Mayor Ganz stated it was 4%.

Mr. Meyers asked about the total debt service. He reviewed debt service statements from one year to the next. He felt the difference was actions taken by the Council from 2004 to cover their sins.

Mr. Meyers commented on the first reading on the Ordinance 2006-2005 to expand the municipal amount of expenditures that they could make under state law. He added under

New Jersey State Law a municipal government is limited to 2 ½% increase under municipal expenditures per year. Mayor Ganz stated that was not a accurate statement and that the Borough Attorney explained that it is not the entire budgetary process that is limited but certain line items.

Borough Attorney Lustgarten explained it starts with 2 ½% and are allowed to authorize up to 3 ½%. They have \$35,000,000.00 plus budget. This increase to exceed the cap pursuant to Ordinance 2006-2005 as prepared by the CFO totals \$190, 115.37 so he was unsure what Mr. Meyers point was. He stated out of the \$35,000,000.00 budget the request by the Council to exceed the cap is roughly \$190,000.00. Mr. Meyers explained in the year 2003 there were expenditures over and above that were exceptions to the cap, at roughly \$3,300,000.00. In the year 2004 the exceptions to the cap amounted to \$8,200,000.00, which was an increase of about \$5,000,000.00. He did not have the breakdown but would get them. Borough Attorney Lustgarten stated his numbers could not be correct. Mr. Meyers stated his figures come off Division of Local Government website. Borough Attorney Lustgarten stated the figures may be correct but his calculations of the comparison figures cannot be correct.

Borough Attorney Lustgarten stated when he referred to previous years saying that by exceeding the cap the Council then appropriated \$5,000,000.00, the percentages are impossible on a \$30,000,000.00 budget to do that.

He explained this budget goes down to Division of Local Government Services and the Finance Board in Trenton. Every Municipal budget is reviewed before it comes back to the Council for second reading and an either up or down vote after the public hearing. If the Local Finance Board and the Division of Government Services see a number in the budget that is in excess of the cap they would not approve the budget. He added for all the years he had been here that has never happened.

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Mr. Meyers stated in 2005 allowing for two new police officers as part of the domestic security and another \$200,000.00 for State pension it still looks to him at first glance that this budget is about \$4,000,000.00 over. Borough Attorney Lustgarten suggested he go and speak with the CFO for an explanation.

Mr. Meyers asked about the Consent Agenda Resolution No. 103-2005 referring to Geese Management. The Council is now classifying as professional service requiring a higher educational degree Geese Management Services. He added by doing that the contract that is for about \$14,000.00 is not being put out for bid. If it is indeed a professional services they do not have to put it out for bid. Mayor Ganz intervned that is would not have to go out for bid because it is under \$17,500.00. Councilmember McCarthy stated these various individuals did come last year and make a presentation to the Council. They are licensed by the Federal Government. There are various professional licenses that they must have to deal with the eggs along the river and not anyone could do it.

Mr. Meyers commented Resolution No. 106-2005 states on that the participant lease in the form presented is hereby approved. He added he made a OPRA request and was informed that there was no such document which suggested to him that this resolution may be illegal. They are signing a contract in blank and authorizing the Borough Manager to

sign leases on behalf of government when they do not even have the terms of the lease. Mayor Ganz stated they do have the terms of the lease and had previously signed it and it is on file at the Clerk's office. If he was told differently he was given incorrect information.

Manager/Municipal Clerk Kwasniewski stated there is no such lease for this resolution. The resolution starts the process. They have leases from last year's resolution that have nothing to do with this resolution. They have not even begun to craft their applications to apply for projects. The whole package has to go together. They leases come after they purchase the equipment and send the information to Commerce Leasing who is the bank that is handling this. Mr. Meyers asked if what they were doing in effect is approving the contract before the contract is drawn. Mayor Ganz explained that was not correct because each of the individual items have to be approved by the Council as part of the lease bank program for which the necessary documents are attached. Mr. Meyers asked if each individual item would come before the Council. Mayor Ganz stated that was correct.

Deputy Mayor Weinstein wished to comment on the first statement Mr. Meyers brought up about the budget and sins of last year. He gave a list of what was purchased and suggested Mr. Meyers wait until April 15<sup>th</sup> to bring up such items if he was not prepared with all the information. Mr. Meyers stated the budget figures were not ready for him to review until this afternoon which did not give him enough time.

Borough Attorney Lustgarten wished to get back to Resolution 106-2005 to explain this resolution. There is a program called the Bergen Bond Bank Program. The County of Bergen enters into a commercial leasing arrangement with Commerce Commercial Leasing, LLC. The county permits local governments, non profits corporations and school districts to enter into this program with the County of Bergen. The County is able to negotiate a better interest rate and terms through them. This is just the start of the process, until Fair Lawn decides to enter into a lease purchase for a particular capital item, this is just paper on the shelf. He stated when and if the Council decides that a major

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piece of capital equipment needs to be purchased or leased purchase rather than going out and purchasing it themselves it takes advantage of this program with Bergen County. He concluded nothing goes through this program unless the Council approves a specific item.

Mr. Meyers stated in response to Deputy Mayor Weinstein the summary budget was not available until noon today. It is very difficult to crunch numbers when he works a 9 to 5 job.

He added they have had 3 months to work on this budget and prepare their statements, he has only had 1 ½ hours and is doing the best he can.

Mr. Meyers asked if we are pumping drinking water from that well field. Manager/Municipal Clerk Kwasniewski stated they are not pumping water from that wellfield.

There being no additional comments from the public, upon motion by Deputy Mayor Etlar and second by Councilmember McCarthy, the time for public comments was unanimously closed.

#### **ADJOURNMENT:**

Upon motion by Councilmember McCarthy and second by Deputy Mayor Etlar, the meeting

