

**BOROUGH OF MOUNT ARLINGTON
COUNCIL MEETING MINUTES
MARCH 27, 2010
9:00 am**

1. Call to Order

- 2. Adequate notice** of this meeting of the Mayor and Borough Council of the Borough of Mount Arlington was given as required by the Open Public Meetings Act as follows: Notice was published in the Daily Record on March 25, 2010; notice was posted on the bulletin board in the main hallway of the Municipal Building on March 23, 2010 and has been available to the public; notice of this meeting is on file in the office of the Borough Clerk.

In accordance with the Open Public Meetings Act (N.J.S.A. 10:4-1 et seq.), the Borough Council opens every public meeting for comments of the public. However, in accordance with N.J.S.A. 10:4-12 : "Nothing in this Act shall be construed to limit the discretion of a public body to permit, prohibit or regulate the active participation at any meeting,...."

Speakers at Borough meetings shall have five minutes to present their comments to the Borough Council so as not to consume time that would otherwise be allotted to other persons who wish to speak. Speakers shall be courteous to the Council and other persons attending the meeting. Offensive remarks or unruly behavior will not be allowed and anyone who violates this policy will be barred from participating in the meeting.

3. Flag Salute

The Mayor asked for a moment of silence for our troops fighting for us and to pray they return home soon.

4. Roll Call

Councilman Driscoll, Councilman Sorge, Councilman Sadow, Council President Galate, Councilman Windish, Councilman Doran, Mayor Ondish. Matthew Giacobbe, Borough Attorney, Bud Jones, Borough Auditor, Joe Kovalcik, Borough Budget Consultant, and JoAnne Sendler, Borough Administrator, were also present.

5. Open Public Forum/Public Comment Regarding the Update of the Borough Master Plan.

The Mayor opened the meeting to the public.

The following individuals had questions and comments on the Update of the Master Plan:

- Veronica Silkes, Succasunna Road
- Kyle Poskitt, 658 Reba Road
- Marlene Ackerman, 56 Rogerene Way
- Liz D'Abbraccio, 7 Willow Street
- Rob van den Hende, 505 Windemere Avenue
- John Song, 104 McGregor Avenue
- Cornelia Chandler, 10 Richard Drive
- Keith Oates, 15 Arlington Avenue

- Councilman Sadow stated the purpose of this meeting was to listen to ideas for the Master Plan. The residents are saying they have a plan for redeveloping Mount Arlington which may not be in alignment with the current ordinances. The Council and Land Use Board need suggestions from the residents if we are going to redevelop Mount Arlington. Councilman Sadow stated he understands the residents' frustrations and Council can suggest that the planner create ordinances that make the resident's lives better.

Councilman Sorge commented on the amount of money the OPRA requests are costing the Borough, even though the information is already available on our website.

Motion to Take A Break: Councilman Doran.
 Second: Councilman Sorge.
 All in Favor – Aye; None Opposed.
 Motion Approved.

Motion to Return to the Meeting: Councilman Driscoll.
 Second: Councilman Sorge.
 All in Favor – Aye; None Opposed.
 Motion Approved.

6. Ordinances – Introduction

01-10 An Ordinance of the Borough of Mount Arlington, County of Morris, State of New Jersey, To Exceed the Municipal Budget Appropriation Limits and to Establish a CAP Bank (N.J.S.A. 40A:4-45.14), Calendar Year 2010.

Mayor Ondish read Ordinance #01-10 by Title.

Motion to Approve: Councilman Driscoll made the motion and stated that Ordinance #01-10 be introduced by Title and passed on First Reading and that a meeting be held on May 4, 2010 at 6:00 p.m. at the Mount Arlington Public School, 235 Howard Boulevard, Mount Arlington, NJ for a Public Hearing, consideration of Second Reading and Passage of said Ordinance and that the Clerk be directed to publish, post and make available said Ordinance in accordance with the requirements of law.

Second: Councilman Sorge.
 No further Council discussion.

Roll Call:

Ayes: Driscoll, Sorge, Sadow, Council President Galate,
 Windish, Doran.

Nay: None.

Motion Approved.

Added Resolution

2010-40 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Making Application to the Local Finance Board Pursuant to NJSA 40A:4-45.46.
 This Resolution allows the Council to make application to the Local Finance Board for approval of its levy cap waiver.

Motion to Approve: Councilman Sorge.

Second: Councilman Doran.

Roll Call:

Ayes: Driscoll, Sorge, Sadow, Council President Galate,
 Windish, Doran.

Nay: None.

Motion Approved.

- Councilman Sadow read a statement regarding a recent Finance Committee meeting.
- The Mayor stated that we are significantly behind, mainly due to a lack of raising taxes the last few years; we have cut expenses down to the bare minimum. Mount Arlington had a very good bond rating when we had surplus but followed the county (using our surplus to offset expenses so we didn't have to raise taxes), and now have a poor bond rating. The Mayor stated the proposed Referendum will help us get back on solid footing

and be able to continue to survive and thrive. Unfortunately, we will have to raise taxes in order to be sustainable in this Borough. Councilman Sadow stated a referendum is required to make a permanent change in the tax rate to a level that will enable us to be sustainable going forward; there is virtually nothing else to cut. In order to stop running to Trenton in hope of aid, we need to make a decision. If the residents empower the Council to do this, the Borough will sustain; yet, it is not sustainable without an increase in the taxes. The Mayor stated the Referendum would be a one-shot deal which needs to be done now, especially because the Governor is proposing 2.5% caps rather than 4.5%. The Mayor stated this jump will allow us to continue services rather than have to start cutting services.

7. Resolutions

2010-38 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Introducing the 2010 Municipal Budget.

The Clerk read the Resolution into the record.

Motion to Approve: Councilman Sorge.

Second: Councilman Sadow.

Roll Call:

Ayes: Driscoll, Sorge, Sadow, Council President Galate,
Windish, Doran.

Nay: None.

Motion Approved.

The Mayor stated the municipal budget will be available on the website by Tuesday.

8. Executive Session

2010-39 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, New Jersey, Authorizing An Executive Session of the Mayor and Borough Council and Excluding the Public from That Portion of the Meeting.

Executive Session Topic: Personnel.

No Action will be taken following Executive Session.

Motion to Go Into Executive Session: Councilman Sorge.

Second: Council President Galate.

All in Favor – Aye; None Opposed.

Motion Approved.

Motion to Return to Open Session: Councilman Doran.

Second: Councilman Sorge.

All in Favor – Aye; None Opposed.

Motion Approved.

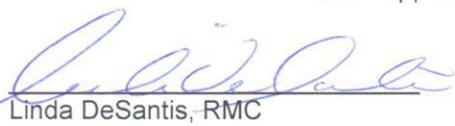
9. Adjourn

Motion to Adjourn: Councilman Sorge.

Second: Councilman Doran.

All in Favor – Aye; None Opposed.

Motion Approved.


Linda DeSantis, RMC
Borough Clerk

Minutes Approved at Council Meeting of June 1, 2010.

Resolution 2010-40

**Resolution Of The Borough of Mount Arlington
Making Application To The Local Finance Board
Pursuant To N.J.S.A 40A:4-45.46**

WHEREAS, the *Mayor and Council* of the Borough of Mount Arlington in the *County of Morris* desires to make application to the Local Finance Board for its approval of a proposed *Levy Cap* waiver pursuant to N.J.S.A. 40:4-45.46 and,

WHEREAS, the *Mayor and Council* believes that:

- (a) it is in the public interest to accomplish such purpose; and,
- (b) the *Levy Cap* waiver is for the health, wealth, convenience or betterment of the inhabitants of the *Borough of Mount Arlington*; and,
- (c) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the *Borough of Mount Arlington* and will not create an undue financial burden to be placed upon the *Borough of Mount Arlington*;

NOW THEREFORE, BE IT RESOLVED by the *Mayor and Council* of the *Borough of Mount Arlington* as follows:

Section 1. The application to the Local Finance Board is hereby approved, and the Chief Financial Officer, along with other representatives of the *Borough of Mount Arlington* are hereby authorized to prepare such application and to represent the *Borough of Mount Arlington* in matters pertaining thereto.

Section 2. The Municipal Clerk of the *Borough of Mount Arlington* is hereby directed to file a copy of the proposed *Levy Cap* waiver with the Local Finance Board as part of such application.

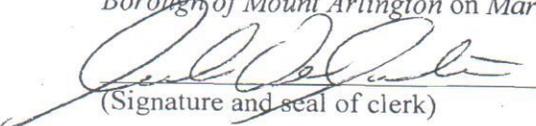
Section 3. The Local Finance Board is hereby respectfully requested to consider such application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statute.

Recorded Vote

AYE: Driscoll, Sorge, Sadow, Galante, Windish, Doran
NO: —
ABSTAIN: —
ABSENT: —

Certification:

The foregoing is a true copy of a resolution adopted by the *Mayor and Council* of the *Borough of Mount Arlington* on *March 27, 2010*.


(Signature and seal of clerk)

March 29, 2010
Date

RESOLUTION #2010-38 MUNICIPAL BUDGET NOTICE

Section 1.

Municipal Budget of the _____ Borough of Mount Arlington, County of Morris for the Fiscal Year 2010

Be it Resolved, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2010;

Be it Further Resolved, that said Budget be published in the _____ Daily Record

in the issue of March 31, 2010

The Governing Body of the Borough of Mount Arlington does hereby approve the following as the Budget for the year 2010.

RECORDED VOTE
(Insert last name)

	Ayes	Nays
Driscoll	Galate	
Sorge	Windish	
Sadow	Doran	

Abstained /

Absent /

Notice is hereby given that the Budget and the Tax Resolution was approved by the _____ Governing Body of the _____ Borough

of Mount Arlington, County of Morris, on March 27th, 2010

A Hearing on the Budget and Tax Resolution will be held at Mt. Arlington Public School on May 4th, 2010 at



6:00 o'clock

(P.M.)

(Cross out one)

at which time and place objections to said Budget and Tax Resolution for the year 2010
resolution/ordinance of the Mayor and Council of the
Borough of Mt. Arlington adopted on 3/27/10.

may be presented by taxpayers or other interested persons.

[Signature]
Municipal Clerk

A RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL OF
THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS,
NEW JERSEY, AUTHORIZING EXECUTIVE SESSION

WHEREAS, N.J.S.A. 10:4-12 allows for a Public Body to go into closed session during a Public Meeting, and

WHEREAS, the Mayor and Borough Council of the Borough of Mount Arlington have deemed it necessary to go into closed session to discuss certain matters which are exempted from the Public; and

WHEREAS, the regular meeting of the Mayor and Borough Council will reconvene thereafter;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Borough Council of the Borough of Mount Arlington will go into closed session for the following reason(s) as outlined in N.J.S.A. 10:4-12:

_____ Any matter which, by express provision of Federal Law, State Statute or Rule of Court shall be rendered confidential or excluded from discussion in public;

_____ Any matter in which the release of information would impair a right to receive funds from the federal government;

_____ Any matter the disclosure of which constitutes an unwarranted invasion of individual privacy;

_____ Any collective bargaining agreement, or the terms and conditions which are proposed for inclusion in any collective bargaining agreement, including the negotiation of the terms and conditions thereof with employees or representatives of employees of the public body;

_____ Any matter involving the purpose, lease or acquisition of real property with public funds, the setting of bank rates or investment of public funds where it could adversely affect the public interest if discussion of such matters were disclosed;

_____ Any tactics and techniques utilized in protecting the safety and property of the public, provided that their disclosure could impair such protection;

_____ Any investigations of violations or possible violations of the law;

_____ Any pending or anticipated litigation or contract negotiation in which the public body is or may become a party. Any matters falling within the **attorney-client privilege**, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer; *Under certain circumstances, if public disclosure of the matter would have a potentially negative impact on the Borough's position in the*

litigation or negotiation, this information may be withheld until such time that the matter is concluded or the circumstances no longer present a potential impact);

XX Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed at a public meeting (Subject to the balancing of the public's interest and the employee's privacy rights under *South Jersey Publishing*, 124 N.J. 478. (The employee(s) and nature of discussion is:

- Personnel

_____ Any deliberation of a public body occurring after a public hearing that may result in the imposition of a specific civil penalty upon the responding party or the suspension or loss of a license or permit belonging to the responding party as a result of an act of omission for which the responding party bears responsibility;

BE IT FURTHER RESOLVED that the Mayor and Borough Council hereby declare that their discussion of the aforementioned subject(s) may be made public at a time when the Borough Attorney advises the Mayor and Borough Council that the disclosure of the discussion will no longer detrimentally affect any right, interest or duty of the Borough or any other entity with respect to said discussion.

BE IT FURTHER RESOLVED that the Mayor and Borough Council, for the aforementioned reasons, hereby declares that the public is excluded from the portion of the meeting during which the above discussion shall take place and hereby directs the Borough Clerk to take the appropriate action to effectuate the terms of this resolution.

This Resolution shall take effect immediately.

I HEREBY CERTIFY this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, adopted on March 27, 2010.



Linda DeSantis, RMC, Borough Clerk



Good morning. The report I am about to give is the result of a meeting of the Finance Committee of the Borough of Mount Arlington held on March 22, 2010. The meeting was attended by all appointed council members, the borough administrator, our consultant CFO and our auditor. I appreciate the opportunity to present the committee's findings and recommendations. Let me state at the outset that the information, assumptions, and recommendations I will share are imparted to the council and public with best intention to represent the reality of our fiscal status. These data refer specifically and only to the municipal portion of the budget and specifically do not include the county or school levies. I would like to ask for the council's indulgence and request you hold your comments and questions until the end.

For the last several years, our borough, like so many other municipalities in NJ, has experienced significant budgetary pressure. This year is no exception. I believe it is valuable to review some of the policies and decisions that have brought us to this point. Retracing and questioning these decisions is not my intent. The recommendations that I will make shortly are based on an understanding of the past and are an attempt to avoid the fiscal pitfalls that have brought us to this point.

From 2004 through 2007, the borough experienced tax rate increases of no more than \$0.02 in any tax year. Some years saw no increase at all. That is not to say that we did not spend money or have income. Rather, income from non-tax sources was utilized to balance the budget without raising the tax levy. Some of these funds were intended for later debt repayment on our various borough projects. These debts remain to this day in the form of bonds. The current revenue from sources expected to service these debts, however, is not sufficient to cover the obligations. Had these funds remained in surplus we would be using them to service debt, as was the original plan. However, to keep taxes essentially flat, those funds and other surpluses were completely depleted. This has contributed to what I will call a **structural defect** in our budget construct. Our fund balance in 2004 was \$1.15 million and that number, as of 2009, has shrunk to \$180,000. Where is our \$1 million surplus? It resides in taxes that were not levied in the years 2004-2007.

In 2003, Mount Arlington underwent a revaluation. Many of you remember that time fondly I'm sure. The borough collected essentially the same amount of tax revenue in 2003 and 2004. The rate changed because of the revaluation but the net collected tax was the same for the average household; effectively, the revaluation represented no tangible tax increase. In the three years following the revaluation, the *average* rate increase was less than \$0.01! While this "felt good" at the time, it too contributed to the structural defect.

Let us look briefly at the proposed budget. It is expected that State aid will again decline, to approximately \$338,000 this year. Last year, the amount was approximately \$426,000; this represents a decrease of approximately \$88,000. It is unknown if the State will again favor us with extraordinary aid. That amount was \$325,000. Other revenues continue to decrease significantly. As previously noted, there are no other surpluses remaining. With a moratorium on any new capital projects, we need approximately \$823,000 to balance our budget. The only increases in the budget are statutory and/or contractual and therefore beyond our control. When those mandatory increases are added, our borough needs approximately \$993,000 to balance the budget. The Finance Committee and I deeply

appreciate the suggestions from concerned area residents and other council members. Sadly, were all of these belt-tightening measures implemented, they would not cumulatively put a dent in the systemic deficit we face. Ironically, the \$993,000 shortfall is about equal to the same \$1 million that I talked about earlier.

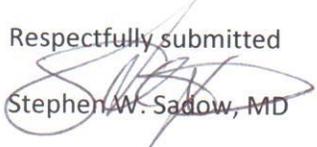
Over the last three budget seasons, we have all experienced the wallet-wrenching realities of increases in our tax levy. Multiple cuts to spending and a moratorium on capital improvement have allowed us to limp to the finish line each year. Last year required a waiver of the 4% levy cap in addition to extraordinary aid. As you know, these are temporary budget stop-gaps and if nothing else, must be sought and repeated annually. I believe, as does the Finance committee, that this is not a fiscally sustainable practice. If, for example, we do not receive extraordinary aid and our request for waiver is not granted in the full amount required, it is difficult to imagine the inevitable consequences. BUT ALL IS NOT LOST, NOR IS THE END IN SIGHT!

Assuming that we get some extraordinary aid and assuming that the state grants a waiver to cover our budget gap, I believe we can balance the budget without compromise to the services we have come to expect and enjoy. But that again only covers this year. Therefore, the Finance Committee recommends a **Referendum** to permanently raise the tax rate to a sustainable level. This we feel will not only preserve the charm and feel of Mount Arlington but will also strengthen our ability to control our own destiny. Also, it will enable us to more easily fund our obligations to Mount Arlington's finest and put that issue to rest.

I have made several references to the role the state of NJ plays in the municipal budget process. In this year of "Trenton turnaround", the rules governing budget construction were not available to our professionals until Governor Christie handed them down on March 18th. By March 22nd, our professionals had crafted the budget and discussed it with this committee that evening. Council had this budget the following day, March 23rd, and it is here presented as rapidly as possible for introduction.

I believe that this plan for resuscitation of our fiscal policy will place Mount Arlington on solid footing going forward and will prepare us for the future. It is time to act decisively. Thank You. Your comments and questions are invited.

Respectfully submitted


Stephen W. Sadow, MD

Chair, Finance Committee