

**BOROUGH OF MOUNT ARLINGTON
COUNCIL MEETING MINUTES
SEPTEMBER 21, 2008**

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 Wednesday, September 17, 2008; notice was posted on the bulletin board in the main hallway of the Municipal Building on September 16, 2008 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 to remember our troops and those living in Texas and Louisiana who have suffered great damage from the recent hurricanes.

4. Roll Call

Council President Driscoll, Councilman Sorge, Councilwoman Galate Goodman, Councilwoman Mulligan, Councilwoman Cerasoli, Councilman Doran, Mayor Ondish, JoAnne Sandler, Borough Administrator, Matthew Giacobbe, Borough Attorney, and Bud Jones, Borough Auditor, were also present.

5. Open to Public – Not Related to Public Hearing on Budget Amendment

None.

The Mayor closed the meeting to the public on non-budget related items.

6. Resolutions

2008-139 Public Hearing on the Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Amending the Introduced Budget.

Motion to **Open to the Public**: Council President Driscoll.

Second: Councilman Sorge.

All in Favor – Aye; None Opposed.

Motion Approved.

The Mayor stated that each individual would have three minutes to speak.

Joanne Wiseberg, 87 Ridgeview Lane:

- Ms. Wiseberg thanked the Mayor and Council for the control they showed at the last meeting. Ms. Wiseberg asked that the Mayor keep the three-minute rule for each person to speak as this should not be a one-man show.

Dolores Rivinius, 611 Bensel Drive:

- Ms. Rivinius asked the amount of money spent from the \$7 million bond. Bud Jones stated that there is \$3.7 million dollars cash in the general capital fund as of December 31, 2007; there were no bond anticipation notes open as of December 31, 2007. Mr. Jones stated that we have already received the proceeds from the bond sale but the state would not allow us to cancel portions of the projects and take the money in as revenue; the state felt that we would be creating a problem for next year. Mr. Jones stated that if we used bond anticipation notes we could cancel the project but there would be no funding that would then come back into the budget.

Steve Lardiere, 45 Kadel Drive:

- Mr. Lardiere asked if there were any changes to the budget. The Mayor stated that other than the amendment reduction of \$143,000, there are no other changes as of yet. Mr. Lardiere requested that if the Council has a large bond item on the agenda, it should be treated as a referendum item. The Mayor stated that every bond ordinance is listed on the meeting agenda and must have a first and second reading so there is ample time for residents to come to the meetings. Mr. Jones stated that a referendum would cost approximately \$10-20,000. Council President Driscoll stated that in our form of government, this type of referendum would not be binding.

Dick Schumm, 55 Ridgeview Lane:

- Mr. Schumm attended this meeting to see what cuts will be made to the budget. Borough Attorney Jacobbe stated that this is the Public Hearing on the Amendment regarding the \$143,000 reduction by the state; after this Hearing is closed, the Mayor and Council will discuss other potential cuts and if there are any, the Public Hearing on that amendment will be on Friday, September 26, 2008 when Council meets for the final budget adoption. Mr. Schumm stated that people are desperate in this community and the Mayor and Council will have to make some tough cuts such as salaries, working hours and projects. The Mayor reiterated that whatever we cut from this budget will put us in a deficit in our budget for next year but we have ideas to try to raise revenue to offset some costs.

Charles Squires, 26 Birch Terrace:

- Mr. Squires missed the last budget meeting but came to this meeting to learn what changes Council has made. The Mayor again stated that this is just the Public Hearing on the budget amendment and Council will be discussing the budget further after this Hearing. Mr. Squires stated that tonight Council is discussing \$143,000 which is nothing but they took \$300,000 from the school board; the Mayor stated there is a great difference in cutting \$300,000 from the school budget and \$300,000 from the municipal budget. Mr. Squires stated that he does not understand why we buy a fire truck for \$340,000 and don't just hold up on that purchase. The Mayor stated that this is the cost of maintaining the Borough and ensuring residents safety; we provide all our services at 28 cents per tax dollar. Mr. Jones stated that the bonds have been issued for the project and since we are still paying principle and interest, delaying a project does nothing.

Mike Walraven, 150 McGregor Avenue:

- Mr. Walraven stated that if we replace a note with a bond, why doesn't the budget reflect the money coming back in. Mr. Jones stated that when a Borough currently finances debt, they receive the proceeds from that permanent financing. The Borough received the \$7.1 million bond in 2007 and put that money into the general capital fund for permanent financing for certain projects, some of which were already completed. The selling of bonds does not generate the revenue to the current fund budget; the proceeds are deposited as general capital fund. The paying of the debt is the expense of the current bond. Mr. Jones stated that what happens to the general capital fund is we sell the bond, we take the proceeds in and we expend those proceeds for projects. Mr. Jones stated that in the general capital fund, the proceeds come in to general capital and are expended from general capital for the projects. The sale of the bonds has nothing to do with revenue. Councilman Doran stated that this pattern of questioning has been the subject of a lot of questions by Council members for quite

some time; we have been trying to see how we can divert capital monies to at least offset the impact of this budget. Councilman Doran stated that the final disappointment came to him on Friday night by phone, advising that we could not take approximately \$300,000 from a project, which did not have a grant associated with it (projects with grants are more difficult to cancel because we lose the grant money and credibility). Councilman Doran consulted with an alternative bond counsel expert who advised this could be done but due to our involvement with the state waiver, the state said no. Councilman Doran stated that the residents do not have a table full of dummies on the dais that are just trying to turn around and increase taxes.

Ron Morris, 127 McGregor Avenue:

- Mr. Morris stated that the general consensus among his neighbors is that we all appreciate Council's time but getting the impression that Council is not trying as hard as they can to cut taxes rather than avoid increases. Mr. Morris stated that NJ Network News has said that parts of NJ are imposing a mandatory 20% cut across the board; all department heads are notified, it is not a choice, they are just making it happen with no exceptions. Mr. Morris stated that some municipalities are closing their municipal buildings one day a week to address this issue. Mr. Morris stated that the Council is resigned to the fact that the increase is pending, it is a given, not that there is a possibility there are alternatives or ways to avoid it.

The Mayor stated that it is hard to compare budgets from other towns; if Council thought a 20% decrease was do-able, we would have done that. We have agonized over this budget, and it is not just the rest of 2008, we are looking at 2009 and 2010 and 2011 and looking at what's coming down the pike and trying to combat so we will not have this type of tax increase each year. We are trying to set it up so that we can get back on track; let's pray the economy changes and that we can generate revenue for the Borough to offset these increases. The Mayor stated that he and the Council are doing the best they can with the numbers.

Brooke Biederman, 127 McGregor Avenue:

- Ms. Biederman commented on the last meeting and the fact that there were so many people who were so discouraged about the taxes. As a professional, when she does her budget, if she can't make the budget she has to cut her spending. Ms. Biederman stated that we need to find a way to cut the police budget down and eliminate the senior citizens bussing. We need to slash and burn this budget because if these taxes continue to increase in the Borough, the people will move out and the property values will go down. Ms. Biederman said that she loves the Mount Arlington Police but is sick of driving up and down Howard Boulevard and seeing Police checking speeders every day, and, in these times, we should not have spent money on the train station opening. There is a lot of stuff to be cut out of this budget and if we don't get it under control this year, it's only going to be twice as bad next year. Ms. Biederman stated that she feels many of the seniors would be happy to help out and volunteer to get things done and get back spirit in Mount Arlington.

Debbie Hill, 352 Howard Boulevard:

- Ms. Hill stated that she thought the Council was holding two meetings to discuss what was discussed at the September 15th meeting. The Mayor stated that this part of the Agenda is the Public Hearing on the waiver amount only; we have to hold the Public Hearing first, then Council will further discuss the budget and make an amendment, if there is one, and finally adopt on Friday, September 26th.

Alfred Solimon, 22 Mulberry Lane:

- Mr. Solimon stated that this meeting is for the discussion of the \$143,000 cut from the budget but he feels Council has no intention of changing any items from the budget. We must make cuts in spending and remember that the economy is not going to get better; that way we will always have surplus which we can then use without increasing the taxes. The people are paying for increases all around, we get a 3% increase in salary but our taxes go

up 43%; this is exactly what drives people out of the state. Mr. Solimon stated we need to keep our community and not drive people out; the Council's number one priority should be the interest of the people and not make it business as usual. The \$143,000 from the State is a help but we need to cut more projects and spending.

Gene Paradiso, 206 Howard Boulevard:

- Mr. Paradiso stated that he understands the Agenda but would like Council to explain what was reduced or changed in the budget to reflect the \$143,000 state waiver and requested details regarding the Borough's total debt. Mr. Paradiso also mentioned a recent Star Ledger article wherein they stated that the purchase of a fire truck is excessively estimated. The Mayor stated that this portion of the meeting is only regarding the \$143,000 and explained the procedure of Public Hearings and Amendments. Council President Driscoll explained that any additional amendments would be introduced today with the Public Hearing on September 26th. The Borough Clerk explained that no additional amendment resolution was listed on the Agenda because Council has not authorized any further amendments as of yet; as with any Council Meeting, a resolution can be added by Council vote. Bud Jones stated that the \$143,000 reduction is from reserves from uncollected taxes, which equated to tax collection of approximately 98.1%, as discussed with the Local Finance Board; we had asked for a reduction of \$300,000. Regarding the bonded debt, as of December 31, 2007, there are serial bonds of \$9,797,000, there are loans for the Morris County Municipal Utilities Authority of \$409,000 and Wastewater Treatment loans of \$3,026,000. Mr. Jones explained that there was no line item reduction except for the uncollected taxes; we just adjusted what was anticipated to collect.

No further Council discussion on the Amendment.

The Mayor closed the Public Hearing

Roll Call:

Ayes: Council President Driscoll, Sorge, Galate Goodman, Mulligan, Cerasoli, Doran.

Motion Approved.

7. Budget Discussion

The Mayor opened the discussion to the Council.

- Councilman Doran asked Mr. Jones if for any reason we cannot go ahead with a project which has been bonded, what can be done with that money. Mr. Jones stated we can cancel the project, cancel that dollar amount portion of the improvement but if there is debt outstanding still on that project, those funds would then go to a reserve to pay debt service and that reserve to pay debt service must be anticipated in a future budget to offset that service. If there is no debt on that project, then the amount would be cancelled to capital fund balance and those proceeds could be used either for funding an additional project or taken in as revenue in a future budget to offset any tax increase. Councilman Doran asked that what we have tried to do (cut out a project for \$283,000) cannot be done due to timing but can it be done next year. Mr. Jones stated that assuming the state will allow us to do it, we should be able to cut this next year. Mr. Jones stated we do not need specific permission but the state will review the entire budget and must approve the budget; they do not like the idea of cancelling a project and taking the money in from the 2008 budget. Councilman Doran stated that he was unaware that we had to take that question to the state when they have helped create the very situation that we are in and that they have the opportunity to refuse permission for alleviating a very significant issue for our taxpayers.

Councilwoman Mulligan asked to consider cutting Dial-A-Ride and the landfill costs. The Mayor explained that our engineer stated the landfill will cost about \$14,000 for testing this year. Councilwoman Mulligan again asked about cutting Dial-A-Ride. Councilwoman Galate Goodman stated that we have so many seniors in town that they actually want an increase in the Dial-A-Ride; they do not think they have enough drivers now. Councilwoman Galate Goodman continued that just because she does not use something, she wants to be sure

others are not homebound; she does not feel that is an appropriate place to cut. Councilwoman Galate Goodman stated that taxes have not gone up the last few years, and every year they have been cutting this budget down; the Finance Department needs more employees, DPW is short-staffed, the police department is not getting a car, so it's not like we have an outstanding budget today and there are cuts that can be made; this budget has been cut down to the minimum for three years. Councilwoman Galate Goodman stated she supports those on the dais, this is not the first time we are discussing this budget and have struggled with the budget but our hands are tied. Councilwoman Galate Goodman stated that cuts do have to be made but we also have to look ahead.

Councilwoman Mulligan proposed that the Mayor and Council forfeit the last quarter of their salary. Councilman Doran stated that forfeiting that salary does not amount to that much money and it would be foolish to eliminate what individual Council members are paid for their expenses. Councilman Doran agreed that everything in the Borough has to be rolled back; the 20% idea is certainly not a new one but he is not sure we can incorporate it here. Councilman Doran stated that people have to realize that we are talking about a budget that is $\frac{3}{4}$ spent; this budget has been so delayed, we are dealing with a diminutive issue as far as the total impact that we can make during this last quarter and the focus certainly has been not only on the last quarter but also on the 2009 budget. Councilman Doran stated that over the past year, we have eliminated three full time jobs, did contract services for DPW, and we are looking at shared services; we can probably cut more from this budget but to do this at this late date, we are really going to get ourselves in a much bigger bind. Councilman Doran stated that our focus needs to be on the 2009 budget; he is not against rolling back salaries, rolling back a lot of things but doesn't feel people really want to put the town out of business for the last three months of the year.

Councilwoman Mulligan stated that she has made numerous requests to this Council to meet collectively, not individually, but all requests have been denied. Councilwoman Mulligan suggested cuts at the library, a salary freeze, a retirement freeze, and stipend cuts. The Mayor stated that the library is state mandated but the Council has been discussing the budget for months and have tried cutting and doing the best we can but unfortunately this is the best budget we could come up with at this point in time. Councilwoman Mulligan requested that for future budget finance meetings, all council members be present. The Mayor reminded Councilwoman Mulligan that in 2003, she requested we do not have finance committee meetings so we have discussed the budget as full Council. Councilwoman Galate Goodman stated that she has not spoken to one person on the Council regarding the budget; she received all the information, telephoned the appropriate people to get answers, and then attends Council meetings. Councilwoman Galate Goodman said her job is to go over this information and find out answers, that's what she was elected to do, and she assumed the other Council members did this as well. Councilwoman Galate Goodman stated that unfortunately the bickering over meetings, etc. is personal, but we should think of the community and utilize Council Meetings as the forum for these discussions.

The Mayor asked if Council if had any other discussions. Councilman Doran asked Mr. Jones if he had any other suggestions as to where we can cut from the budget without removing essential services. Mr. Jones stated he would not recommend making some other adjustments, line items/appropriations/salaries/other expenses as he is not privy to those discussions, cut can discuss capital improvement funds, reserves on uncollected taxes; whatever adjustments you make in these areas, you are worsening your financial position for the end of this year and for the 2009 budget preparation. Councilwoman Cerasoli asked about the paving we have planned. Mr. Jones stated that was part of the capital improvement fund appropriation. Mr. Jones stated that Council needs to decide which projects should move forward and which we do not need to be done this year. Councilman Doran stated that this is the time for us to concentrate on capital improvement projects, even if we cannot take the credit to alleviate our condition this year, but will be alleviated next years. Councilman Doran stated that he would like to eliminate the \$283,000 dock project and would like to see a freeze on any other improvement projects pertaining to municipal buildings; we should take the time to determine the improvements needed for the firehouse

and proceed with moving the rescue squad so we can eliminate the monthly rental for the rescue apartment; he does not want to pursue any other projects other than what will bring back income to the Borough. Mr. Jones stated that freezing the project does not do anything; if you were to cancel some portion of that improvement, and let those funds go either to reserve to pay debt services or capital fund balance, you should be able to use them as revenue in the 2009 budget but it is a one time revenue. The Borough Administrator stated that she has been going over the numbers but as Councilman Doran stated, we are $\frac{3}{4}$ spent and very much of the operating budget has been spent. Councilwoman Cerasoli asked if we eliminate the dock project, is there anything we can cut from this year's budget that we can anticipate for next year. Mr. Jones stated that he is not sure that the state will allow to anticipate that amount as a revenue next year; he wouldn't want to make adjustments to the 2008 budget with the possibility of something happening to 2009.

Councilwoman Mulligan asked why Council is not going over the budget line item by line item today at this meeting. The Mayor stated that we are not going line by line because the operating budget cannot be touched; everything we do to it will negatively impact us next year.

The Mayor stated that Mount Arlington has the only public beach left on the lake which is an asset to the Borough. The municipal dock is a cement dock and every year we repair cracks; the lake goes down every five years which would be the ideal time to repair the complete structure. The last time the lake went down, five years ago, we put it off to save money and not have any tax increase, but now it desperately needs repair.

Councilman Doran stated that for years the Borough has wanted to vacate the building on Altenbrand; for various reasons, the school board was not able to move their offices out until recently and the Borough lost rental income associated with the building when one of the town developers moved his offices. Councilman Doran said that the building is highly saleable and he had hoped that the money from the dock would bail us out this year and the sale of that building would bail us out next year. Councilman Doran wants the residents to know that we do have assets but that building is just too run down to rehabilitate for the Borough.

The Mayor asked for a five-minute break:

Motion: Councilman Sorge.

Second: Councilman Doran.

All in Favor – Aye; None Opposed.

Motion Approved.

Motion to Go Back to Re-Open the Meeting: Councilman Sorge.

Second: Councilman Doran.

All in Favor – Aye; None Opposed.

Motion Approved.

The Mayor stated that after deliberation, Council President Driscoll had a suggestion. Council President Driscoll stated that this is not for a tremendous amount of money but it is a start; on Sheet 40D, on the capital improvement fund, both Mr. Jones and the Borough Administrator agree that we can pull possibly \$74,000 from the capital improvement fund which would drop the budget down an additional tax point. The Mayor stated that this could be added as an amendment to the budget, so the total culled out of the budget would be \$217,000 overall from the budget this year.

***Added Resolution:**

2008-140 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Amending the Amendment to the Introduced Budget.

Motion to Approve: Councilman Sorge.

Second: Councilman Doran.

Roll Call:

Ayes: Council President Driscoll, Sorge, Galate Goodman, Mulligan, Cerasoli, Doran.

Motion Approved.

The Clerk read the Public Hearing notice on this Amendment into the record.

Councilman Doran asked to make a motion regarding the efforts that need to be performed for the 2009 budget; he requested Council form a committee to perform a line item review with all department heads as a starting point for preparation of the budget. Councilman Doran stated that he would like to see this Council agree that three Council members be involved in a line-by-line review of all department submissions.

Motion to Approve a Committee to Perform a Line-By-Line Review of the 2009 Budget: Councilman Doran.

Second: Councilwoman Mulligan.

Roll Call:

Ayes: Council President Driscoll, Sorge, Galate Goodman, Mulligan, Cerasoli, Doran.

Motion Approved.

The Mayor stated that he would like to put together a Citizen's Advisory Committee to review the budget for the year 2009. Councilwoman Mulligan stated that Pete Laue and Gene Paradiso led the Resident Finance Committee to review this years budget and thanked them for all their hard work. The Mayor stated that we will determine the committee in the next few months, along with a committee for those residents who would like to get involved in raising additional revenue for the Borough to offset some of our costs.

8. 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 November 10, 2008.