

**MINUTES OF THE SPECIAL MEETING
OF THE MAYOR AND COUNCIL OF THE
BOROUGH OF SADDLE RIVER
APRIL 27, 2015**

PRESENT: Mayor Raia, Council President Kurpis, Council Members, Kerner, Schulstad & Walenczyk, Deputy Municipal Clerk Convertini Huntington, CFO Mariniello, Jr., Administrator Shenkler , Borough Attorney Huntington

ABSENT: Council Members Gray & Jensen

PRESIDING: Mayor Raia called the meeting to order at 7:00pm and Deputy Borough Clerk Convertini read the following statement:

PUBLIC NOTICE: Notice of this meeting in compliance with the Open Public Meetings Act, Chapter 231 of the Laws of 1975 has been given by posting a notice of Special Meeting of the Mayor and Council of the Borough of Saddle River, on the bulletin board in the Municipal Building, Borough website and faxing notice thereof to the Record and Herald News on April 17, 2015.

NOTIFICATION OF FIRE EXITS

PLEDGE OF ALLEGIANCE

Mayor Raia asked CFO Mariniello to explain the agenda items in detail at this time.

CFO Mariniello stated that there would be a public hearing on the original amended budget. The budget was amended to take an additional \$500,000 from surplus to pay down existing debt. The specific item selected to pay down debt on is an ordinance from 2006 and 2007 which was the original water line ordinance. He further stated that it would be open to the public for comment but the Council will not be voting on the original amended budget at this meeting. In discussions with the State, adjustments in the amended must be made and an additional amendment must be made. This amendment pertains to the Fire Department stipend. The changes must be made and published on May 13, 2015 and adopted at the Regular Meeting of the Mayor and Council scheduled on May 18, 2015.

Additionally, the capital budget is being amended; this amendment pertains to adding \$75,000 for purchase of a new fire truck, adjusting the amount for fire rescue equipment from \$100,000 to \$50,000 and to add a line item of \$500,000 for the water line installation on Fox Hedge Road. An additional capital budget amendment is being requested for \$2,800,000 for costs related to the 66 East Allendale, LLC litigation. Two ordinances have been prepared, one in the amount of \$2,800,000 and one in the amount of \$2,600,000 for Mayor and Council discussion. Based on the new ordinance, the 2015 capital must be amended. CFO Mariniello stated that \$2,600,000 is the minimum amount that can be requested as there are soft costs associated with this matter.

PUBLIC HEARING ON THE AMENDED 2015 MUNICIPAL BUDGET

Motion to Open to the Public by Council Member Kerner
Seconded by Council President Kurpis
Voice Vote: All AYES

OPEN TO THE PUBLIC:

Marilyn Goldfisher, 124 West Saddle River Road stated that she has concerns that important decisions are made after the open to the public portion of the meeting, leaving the public no opportunity to address these decisions.

Motion to Close the Hearing to the Public by Council Member Kerner
Seconded by Council President Kurpis

Council Member Schulstad asked when the Borough found out that the State requested the budget be amended and CFO Mariniello addressed this in detail. The issues pertain to the Fire Department and the State plans to continue to review this.

Roll Call Vote: AYES, Unanimous

Council Member Schulstad asked about the subject Fire Department expenses and where they were put in the budget and this was discussed in detail. Mayor Raia stated that the Borough Auditor will attend the May 18, 2015 meeting of the Mayor and Council to explain the technical issues of this matter.

Council Member Kerner stated that the \$500,000 being taken from surplus to pay down debt was going to be used for the Fox Hedge water line. CFO Mariniello stated that it was prudent to pay down water line debt from 2006 and 2007; Council Member Schulstad was not in agreement. CFO Mariniello stated that you cannot allocate debt to a specific project when you are preparing a municipal budget. There are a listing of items, two fold, one is generated from bond counsel who instructs municipalities the minimum amount they must pay down on bond ordinances. The municipality can then accelerate the process should they chose and pay down additional debt. Paying down existing debt has no reflection on adding new debt for the Fox Hedge project. The multi-purpose ordinance in the amount of \$500,000 will be allocated to the work on Fox Hedge and will be heard at the May 18, 2015 meeting of the Mayor and Council.

Council Member Kerner stated that she was under the impression that the \$500,000 in debt being addressed was going to be ear marked for the work on Fox Hedge; Mayor Raia stated that this was not what was previously discussed.

Council Member Schulstad stated that the prior debt should not be able to be paid down until the Fox Hedge work is funded.

Mayor Raia stated that he would like to move to Introductions of Ordinances; he asked CFO Mariniello to explain the amounts represented in these ordinances.

CFO Mariniello stated that Ordinance 15-909-M, by law, must set aside an adequate dollar amount in order to fund the subject project. If it is not properly funded, the Borough and the CFO could face liability. For this reason, CFO Mariniello stated that the ordinance in the amount of \$2,600,000 is the minimum amount that can be approved as there will be additional soft costs associated with this litigation. He further stated that perhaps funds should be set aside for site enhancement as the subject property is in the middle of the historic district of Saddle River. Council Member Kerner asked why no documentation, legal analysis or contracts have been presented to date. She further stated that the amount of the ordinance should be \$2,300,000; CFO Mariniello reiterated that he cannot do that as they are additional expenses attached to this litigation.

Attorney Huntington stated that the ordinance should be introduced now and there will then be ample opportunity to obtain additional information. He further stated that the amount of the ordinance can be changed by resolution if the number is reduced by cancelling unnecessary funds. Mayor Raia stated that the Finance Committee should evaluate and approve this prior to the next meeting to insure that the amount of the bond ordinance is accurate.

Council Member Schulstad stated that he would be more comfortable amending the ordinance to \$2,300,000 and then introduce an additional ordinance in the amount of \$300,000, if necessary. CFO Mariniello stated that this could not be done.

Council Member Schulstad stated that he does not want to vote on this until the legal bills have been reviewed and perhaps negotiated; Council Member Kerner was in agreement.

Mayor Raia reiterated that the ordinance is only being introduced at this time and, without the approval of the Finance Committee, it will not be adopted.

Council Member Kerner asked Borough Attorney Huntington for confirmation that, if the ordinance was introduced now for \$2,600,000, the amount could be changed if necessary prior to adoption, without another introduction. Attorney Huntington stated that he has conferred with the Borough Auditor and the preferred method would be to introduce the ordinance at either \$2,800,000 or \$2,600,000 and if you chose to change the amount, it can be done by a cancellation of a portion of the ordinance by resolution, not by an amendment of the amount. If you change the amount on the ordinance, it would have to be re-introduced.

Council Member Schulstad asked Attorney Huntington why the ordinance before the Council could not be amended. Attorney Huntington addressed this, stating that he has deferred to the Borough CFO and the Borough Auditor.

At this time, Mayor Raia left the meeting and Council President Kurpis presided.

Council President Kurpis asked Council Member Kerner if she was comfortable with introducing this ordinance and she stated that she was not. She reiterated that she needs to see the detail of the expenses incurred with the litigation before she is comfortable committing to an ordinance amount. She further stated that these bills are often negotiable and would like the opportunity to further review this issue.

Council Member Schulstad stated that it is permissible to amend an agenda if necessary and Attorney Huntington stated that this does not apply to a Special Meeting.

Council Member Kerner suggested that the Council move forward with the bond ordinance in the amount of \$2,600,000 but on the agenda for the May meeting of the Mayor and Council, there will be a resolution to cancel any unnecessary fees after full analysis of expenses.

Council Member Schulstad asked Attorney Huntington again if the ordinance can be amended. Attorney Huntington reiterated that the numbers throughout the ordinance reflect the total amount of bond ordinance. He further stated he would vote for the ordinance in the amount of \$2,600,000 but moving forward he wants to insure that agenda items are presented in advance of any meetings where action must be taken.

INTRODUCTION OF ORDINANCE(S):

ORDINANCE NO. 15-909-M

BOND ORDINANCE TO APPROPRIATE AN ADDITIONAL SUM OF \$2,600,000 FOR THE ACQUISITION OF REAL PROPERTY IN, BY AND FOR THE BOROUGH OF SADDLE RIVER, IN THE COUNTY OF BERGEN, NEW JERSEY, TO MAKE A DOWN PAYMENT, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH ADDITIONAL APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

Resolution# 78-15 Offered by Council President Kurpis
Seconded by Council Member Walenczyk
Roll Call Vote: AYES, Unanimous

AMENDMENT OF THE 2015 MUNICIPAL BUDGET

Resolution #79-15 Offered by Council Member Kerner
Seconded by Council President Kurpis
Roll Call Vote: AYES, Unanimous

AMENDMENT OF THE 2015 CAPITAL BUDGET

Resolution # 80-15 Offered by Council Member Walenczyk
Seconded by Council President Kurpis
Roll Call Vote: AYES, Unanimous

AMENDMENT OF THE 2015 CAPITAL BUDGET

Resolution # 81-15 Offered by Council President Kurpis
Seconded by Council Member Walenczyk
Roll Call Vote AYES, Unanimous

This amendment reflects the Bond Ordinance in the amount of \$2,600,000.

Council Member Schulstad asked how this amendment would impact the In Cap budget and CFO Mariniello stated that it would not have an effect on the In Cap budget.

OPEN TO THE PUBLIC:

Marilyn Goldfisher, 124 West Saddle River Road stated that she recalled that the original amount for the property at 66 East Allendale Road was \$1,300,000 and the number has risen dramatically. She further stated that the Borough should consider doing something with the property to regain revenue.

ADJOURNMENT: A motion for adjournment was made and seconded.

Respectfully submitted,

Marie Elena Macari
Borough Clerk